

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST

NOTICE IS HEREBY GIVEN: That *SPECIALIZED, INC.* is duly appointed Trustee under the following described Deed of Trust:

GRANTOR/TRUSTOR: *JERRY L. PALMER AND MARY JO PALMER, HUSBAND AND WIFE AS JOINT TENANTS*

BENEFICIARY: *SUMMIT CAPITAL, A NEVADA CORPORATION*

Recorded 9-13-96 as instr. No. 396319, IN BOOK 0996, PAGE 1793, of Official Records in the office of the Recorder of *DOUGLAS* County, Nevada; that said deed of trust secures certain obligations including one note for the principal sum of \$132,375.00; that a breach of, and default in, the obligations for which such deed of trust is security has occurred in that payment has not been made of: The failure to pay installments of principal, interest, accrued late charges, and/or impounds which became due JANUARY 20, 1998 and all subsequent installments of principal, interest, and/or impounds, plus late charges. And any advances made by the beneficiary, attorney fees; This amount is approximately \$14356.76 as of the date of the Notice of Default.

NRS Section 107.080 permits certain defaults to be cured upon the payment of the amounts required by that section without requiring payment of that portion of principal and interest which would not be due had no default occurred. Where reinstatement is possible if the default is not cured within 35 days following recording and mailing of this Notice to Trustor or Trustor's successor in interest, the right of reinstatement will terminate and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. To determine if reinstatement is possible and the amount to cure the default contact:

SPECIALIZED, INC.

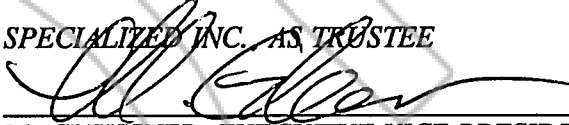
*ATTN: REINSTATEMENT DEPARTMENT
P.O. BOX 5013
CARPINTERIA, CA 93013
(805) 684-8430*

and that by reason thereof, the Present Beneficiary, under such deed of trust, has executed and delivered to said duly appointed Trustee a written Declaration of Default and Demand for sale and has deposited with said duly appointed Trustee, such deed of trust and all documents evidencing the obligations secured thereby and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of the debt or any portion thereof, this office will assume this debt is valid. If you notify this office within 30 days after receiving this notice, this office will obtain verification of the debt and mail you a copy of the verification. If you request in writing within 30 days of receipt of this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor. This notice is an attempt to collect a debt, and any information obtained will be used for that purpose.

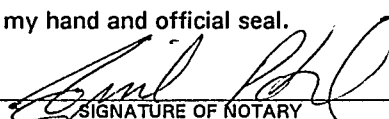
Dated: 22 JUL 98

BY: *SPECIALIZED INC. AS TRUSTEE*


M. GLEISSNER, EXECUTIVE VICE PRESIDENT

State of CALIFORNIA }
County of SANTA BARBARA }
On JULY 22ND, 1998, before me, APRIL POHL NAME
personally appeared M. GLEISSNER

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

SIGNATURE OF NOTARY



- CAPACITY CLAIMED BY SIGNER**
- INDIVIDUAL(S)
 - CORPORATE EXEC. V.P. OFFICER(S) TITLE(S)
 - PARTNER(S)
 - ATTORNEY-IN-FACT
 - TRUSTEE(S)
 - SUBSCRIBING WITNESS
 - GUARDIAN/CONSERVATOR
 - OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
SPECIALIZED, INC.

RECORDER'S USE ONLY

RECORDING REQUESTED BY:
SPECIALIZED, INC.
1090 EUGENIA PLACE
P.O. BOX 5013
CARPINTERIA, CA. 93013
(805) 684-8430

0445146
BK0798PG4980

REQUESTED BY
MARQUIS TITLE & ESCROW, INC.
IN OFFICIAL RECORDS OF
DOUGLAS COUNTY, NEVADA

'98 JUL 24 A9:32

LINDA S. ATER
RECORDER
700 PAID *Bh* DEPUTY